



GAIL FARBER, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

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ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE

September 06, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

49 September 6, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**CONSTRUCTION-RELATED CONTRACT
PUBLIC BUILDINGS CORE SERVICES AREA
DEPARTMENT OF HEALTH SERVICES
LAC+USC MEDICAL CENTER CORE LABORATORY
EQUIPMENT REPLACEMENT PROJECT
ESTABLISH AND APPROVE CAPITAL PROJECT
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT
SPECS. 7342; CAPITAL PROJECT NO. 87336
(SUPERVISORIAL DISTRICT 1)
(4 VOTES)**

SUBJECT

Approval of the recommended actions will find the LAC+USC Medical Center Core Laboratory Equipment Replacement project exempt from the California Environmental Quality Act; establish and approve the capital project; approve project budget, schedule, and Appropriation Adjustment; and authorize the Director of Public Works or her designee to deliver the project using a Board-approved Job Order Contract.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed LAC+USC Medical Center Core Laboratory Equipment Replacement project is categorically exempt from the California Environmental Quality Act for reasons stated in this letter and in the record of the project.
2. Establish and approve the LAC+USC Medical Center Core Laboratory Equipment Replacement project, Capital Project No. 87336, with a total project budget of \$3,499,000.

3. Approve the Fiscal Year 2016-17 Appropriation Adjustment to transfer \$3,183,000 from LAC+USC Medical Center's operating budget to fully fund the LAC+USC Medical Center Core Laboratory Equipment Replacement project, Capital Project No. 87336.

4. Approve the project and authorize the Director of Public Works or her designee to deliver the project using a Board approved Job Order Contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find the proposed LAC+USC Medical Center Core Laboratory Equipment Replacement project exempt from the California Environmental Quality Act (CEQA); establish and approve the capital project; approve the project budget and Appropriation Adjustment; and authorize the Departments of Health Services (DHS) and Public Works to proceed with replacement of the equipment for the Core Lab project using a Board-approved Job Order Contract managed by Public Works.

Project Description and Background

The Clinical Laboratory at LAC+USC Medical Center performs over 8,000,000 tests per year. More than 5,000,000 of these tests are performed by a fully automated chemistry/immunology testing system in which there are nine Roche modular chemistry/immunochemistry analyzers and a Beckman Coulter robotic line. The Beckman Coulter robotic line consists of a specimen processor, specimen track, and refrigerated storage units. The LAC+USC Medical Center Clinical Laboratory is able to support such high test volumes because it employs this high throughput automated system.

The chemistry/immunochemistry analyzers and the Beckman Coulter robotic line have all reached the end of their instrument life cycles, and need to be replaced. In addition, the chemistry/immunochemistry manufacturer, Roche, will cease to provide maintenance, service, and chemical reagents to support the existing chemistry/ immunochemistry analyzers by December 31, 2017. Furthermore, the replacement chemistry/immunochemistry equipment will not be compatible with the Beckman Coulter robotic line. Therefore, in order to maintain a fully automated chemistry/ immunology testing system, both the chemistry/immunochemistry equipment and the robotic automation system must be replaced. The existing chemistry/immunology equipment (and the replacement equipment) is provided to LAC+USC Medical Center as part of an existing service contract that provided the equipment through the purchase of reagents. The Beckman Coulter robotic line was purchased and installed as part of the replacement hospital. The replacement robotic automation system by Roche will also be provided to LAC+USC Medical Center as part of the aforementioned service contract through the purchase of reagents.

The new Roche chemistry robotic automated line will improve workflow, accept multi size specimen tubes, provide increased test menus, and the refrigeration unit is capable of improving specimen locations and providing additional storage for specimens with automatic disposal of the specimens.

The proposed project consists of renovating the Core Lab located on the second floor of the Diagnostic and Treatment Building to enable the replacement of the existing outdated equipment. The utility infrastructure modifications are required to accommodate the installation of the new equipment and these utilities include mechanical, electrical, plumbing, and structural systems. All replacement equipment will be provided by Roche under an existing service contract that provides all equipment through the purchase of reagents. The Internal Services Department, as the County Purchasing Agent, will manage the purchase of reagents for the equipment.

DHS authorized Public Works to complete a feasibility study and plans/specifications using Board-approved, as-needed architects/engineers. The feasibility study was completed prior to the development of plans and specifications in January 2016 to determine if space is available in the existing laboratory to replace the equipment. The study also included developing a detailed phasing plan in order to minimize impact to operations of the laboratory during construction. The proposed project is anticipated to be completed in approximately 16 months following Board approval of the recommended actions.

LAC+USC Medical Center will be the first hospital within the DHS system to install the Roche robotic analyzer to automate and standardize laboratory chemistry and immunology analyzer equipment. Harbor-UCLA and Olive View-UCLA Medical Centers are in various stages of development to identify specific automation solutions. It should be noted, other DHS clinical laboratories are not affected by the December 31, 2017, deadline for LAC+USC Medical Center.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provisions of Operational Effectiveness/Fiscal Sustainability (Goal 1), Community Support and Responsiveness (Goal 2), and Integrated Services Delivery (Goal 3). These recommended actions support the Strategic Plan by investing in public infrastructure that will maximize the effectiveness of process, structure, and operations to support timely delivery of customer-oriented and efficient public services.

FISCAL IMPACT/FINANCING

The estimated total project cost is \$3,499,000, which includes design, base construction, contingency allowance, permit fees, civic art fee, and County services.

The cost of the feasibility study and plans/specifications totaling \$316,000 were completed using Board-approved, as-needed architects/engineers and were funded by DHS' operating budget in Fiscal Year (FY) 2015-16. Approval of the enclosed FY 2016-17 Appropriation Adjustment will transfer \$3,183,000 from LAC+USC Medical Center's operating budget to Capital Project No. 87336.

Funding is included in DHS' FY 2016-17 adopted budget. Upon Board approval of the Appropriation Adjustment, sufficient appropriation will be included in the FY 2016-17 Capital Projects/Refurbishment Budget to fully fund the proposed project.

Operating Budget Impact

Upon implementation of the Roche robotic analyzer at LAC+USC Medical Center in FY 2017-18 (approximately 16 months following Board approval of the recommended actions and the capital project completion) there will be an estimated annual cost increase of \$675,000 that will be funded within DHS' FY 2017-18 final budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Arts Policy amended on August 11, 2015, the project is exempt from contributing to the Civic Art Fund because the project involves the installation or replacement of a building system.

ENVIRONMENTAL DOCUMENTATION

The proposed project is categorically exempt from CEQA. The project consists of remodeling a space in an existing building and replacement of laboratory equipment. The proposed project is therefore within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets criteria set forth in Sections 15301 (a) and 15302 (c) of the State CEQA Guidelines and Classes 1(d) and 2(a) and (e) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The project includes minor interior alterations, repair, or replacement of existing facilities, including mechanical equipment and utility connections involving negligible or no expansion of an existing use. The renovated space will have the same purpose and capacity as the current space. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors based on the project records.

Upon the Board's approval of the project, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the State CEQA Guidelines.

CONTRACTING PROCESS

Public Works utilized as-needed architects/engineers to complete the plans and specifications, and construction for the project is currently planned to be completed using a Board-approved Job Order Contract managed by Public Works.

The purchase of reagents for the equipment falls under the statutory authority of the County's Purchasing Agent.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The project will be constructed in phases to keep the laboratory operational during construction and to minimize the impact to laboratory processing and patient services. The laboratory throughput and efficiency are projected to increase upon completion of the project.

CONCLUSION

Please return one adopted copy of this Board letter to the Department of Public Works, Project Management Division I.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:AM:sm

Enclosures

c: Arts Commission
Chief Executive Office (Capital Programs
Division)
County Counsel
Executive Office
Department of Health Services (Capital Projects
Division)
Internal Services Department

PINK

BA FORM 03/13

BOARD OF
SUPERVISORS
OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S.
NO. 110

July 8, 2016

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2016-17

4 - VOTES

SOURCES

BA Detail - See Attachment Page 1.

USES

BA Detail - See Attachment Page 1.

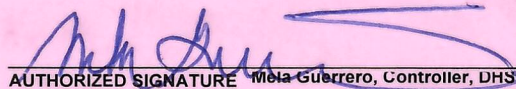
SOURCES TOTAL: \$ 6,366,000

USES TOTAL: \$ 6,366,000

JUSTIFICATION

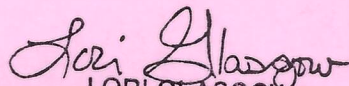
This budget adjustment is necessary to establish and fully fund the LAC+USC Medical Center Core Lab Equipment Replacement Project.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES


AUTHORIZED SIGNATURE Mela Guerrero, Controller, DHS

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

49  **SEP 06 2016**


LORI GLASGOW
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---

☐ ACTION

☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO.

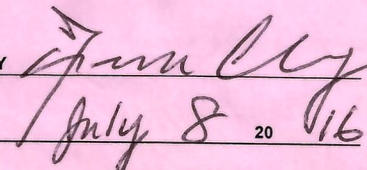
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☒ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY


July 8 20 16

DEPARTMENT OF HEALTH SERVICES
REQUEST FOR APPROPRIATION ADJUSTMENT
CAPITAL PROJECTS/REFURBISHMENTS
FISCAL YEAR 2016-17

4-VOTES

SOURCES:

LAC + USC Healthcare Network
 MN4-HG-2000-60010
 Services & Supplies \$3,183,000
 Decrease Appropriation

Ent Sub - LAC + USC Healthcare Network
 A01-AC-6100-21200-21224
 Other Financing Uses 3,183,000
 Decrease Appropriation

Total \$ 6,366,000

USES:

LAC + USC Healthcare Network
 MN4-HG-96-9912-60010
 Operating Subsidy - General Fund \$3,183,000
 Decrease Revenue

Health Services
 LAC + USC MC Core Lab Equipment Replacement Project
 A01-CP-6014-65036-87336
 Capital Assets - Buildings and Improvements 3,183,000
 Increase Appropriation

Total \$ 6,366,000

ADOPTED
 BOARD OF SUPERVISORS
 COUNTY OF LOS ANGELES

49 SEP 06 2015

Lori Glasgow
 LORI GLASGOW
 EXECUTIVE OFFICER

BA#007

Lafan 7/8/16